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C O N F I D E N T I A L SECTION 01 OF 02 UNVIE VIENNA 000122

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TAGS: <u>IAEA KNNP AORC LY</u>

SUBJECT: LIBYA/NUCLEAR MEDICINE CENTER: PRESSING ALI
GASHUT ON THE MARGINS OF IAEA BOARD OF GOVERNORS MEETING

Classified By: AMBASSADOR GREGORY L. SCHULTE FOR REASONS 1.4 (B) AND (D)

- 11. (C) Summary: On the margins of the March IAEA Board of Governors meeting, MsnOff and ISN/RA (Jody Daniel) discussed the status of the U.S.-Libyan nuclear medicine center project with Ali Gashut (who was representing Libya at the Board meeting) and Libyan MsnOff Salah El-Mesallati. MsnOff and Daniel used the opportunity to inquire about the status of the U.S.-Libyan partnership to establish a nuclear medicine center in Libya. MsnOff and Daniel noted that the U.S. is eager to move forward on the project, but Libyan approval of the jointly developed strategic plan is required before we can proceed to the next stage. While evading a direct response to the inquiry and falling back on well-worn Libyan talking points, Gashut noted his frustration that the project was moving slowly and claimed that, while many positive developments had flowed from Libya's decision to forego WMD, Libya had yet to receive any "tangible benefits" that "the people can see." Comment: We understand that claims from Libyan officials that Libya has not been fairly compensated for giving up its WMD programs have been heard elsewhere, often to open new avenues of assistance. In this case, however, Gashut was pressuring to expedite and maximize U.S. funding for a project that is already being implemented. End comment and summary.
- On March 3, 2009, MsnOff and Daniel met with Ali Gashut and Salah El-Mesallati on the margins of the IAEA Board of Governors meeting to discuss a variety of issues related to the Board. U.S. reps used the opportunity to inquire about the status of the U.S.-Libyan partnership to establish a regional nuclear medicine center (NMC) in Libya, and began by reiterating U.S. support for the project and noting planned nuclear medicine training for Libyans at Massachusetts General Hospital. They also reinforced that the USG is eager to move forward with the architectural/engineering designs for the facility as soon as possible, but that this cannot happen until the U.S.-Libyan Strategic Plan for the project is formally approved by the GOL. They stated their understanding that the Strategic Plan had already passed the technical review at the expert-level in Libya and was awaiting final approval from the General Peoples' Committee for Health and, if necessary, the Libyan Cabinet. (Note: The Strategic Plan, drafted by RCG Healthcare Consulting in consultation with Libyan experts, was presented to Libya in November 2008.) They stressed that getting final GOL approval on the Strategic Plan will set in motion the "tangibles," beginning with the architectural and engineering designs for the facility.
- 13. (C) Gashut responded by claiming that the NMC project was moving too slowly. He said that a site had already been selected and that the Libyan people were eager to see something on the ground, and claimed that the U.S. and Libya have been doing much "talking," but with little action. Gashut recalled that he had met with IAEA experts on this project and developed a plan in 2006 but that the new Strategic Plan was not finalized until late 2008. MsnOff

responded by reviewing the history, noting that the original Libyan proposal for the NMC consisted of "a single page," and reminding Gashut that the IAEA process—instigated by the U.S.—was indeed successful in moving the project forward, but that even the IAEA officials involved considered the IAEA document as the beginning of a serious planning effort, not the final endpoint. MsnOff reiterated that it was the U.S. intention to support a world-class center, and that took time and planning. Daniel noted that their understanding was that the Strategic Plan had not been finalized since it still required formal GOL approval. They added that the lack of a finalized Strategic Plan is precisely what has precluded moving forward with implementing the project.

- 14. (C) Gashut also expressed concern about the level of U.S. funding for the project and said that he had conveyed his concerns in January to the U.S. project coordinator. Reiterating points that had earlier been conveyed to the GOL, Msnoff and Daniel said the USG remains committed to the project, but due to the budget process the USG cannot guarantee the level of funding at this time as neither the 2009 nor 2010 budget had then been approved by Congress. At the end of the discussion, MsnOff and Daniel agreed to relay Libyan concerns back to Washington and Gashut agreed to look into the status of GOL review of the Strategic Plan.
- 15. (C) Comment: As is the norm with Libyan officials on this topic, there was the usual dose of grumbling about a lack of fair compensation for Libya. programs. Mission assumes, however, that Gashut remains personally and professionally vested in realizing tangible aspects of the nuclear medicine project at the earliest possible date.

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Gashut presented himself as if he did not understand that GOL approval of the Strategic Plan is preventing the project from moving forward. The project coordinator in Washington and Embassy Tripoli may want to reiterate the message with the GOL that approval on the Strategic Plan will set in motion the "tangibles," beginning with the architectural design.

16. (U) Tripoli minimize considered.
SCHULTE